

PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



Vol. 5 No. 4 Encarnacion Loukatos, Hub Director Thomas Langston, Editor January 2006



www.hud.gov/local/shared/working/r3/mfhsg.cfm?state=pa

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Section 202 & 811 Grants

Nationally, over \$710 million has been awarded in capital advances from the FY 05 NOFA- \$574.8 million for Section 202 projects and \$135.8 million for Section 811 projects.



Overall, in the four state area of the Philadelphia Hub, 7 Section 202 projects (403 units) totaling \$45.7 million in capital advances and 13 Section 811 projects (107 units) totaling \$11.1 million in capital advances were received by the following nonprofit sponsors:

Section 202- PA: Lutheran Services of Western PA, (71 units), Food-for-All (63 units), Salvation Army, a NY Corp. (50 units), Mt. Zion Community Development Corp. (75 units), PresbyHomes and Services (66 units); and NJ: Linden Housing Corp. (78 units).

Section 811- PA: HANDS, Inc. (16 units), Columbus Property Management and Development (10 units), Affordable Housing of Dauphin County (12 units), Spinal Bifida Association of Western PA (14 units); DE: Krysti Bingham CP Fund/ Carelink Community Support Services (6 units), ARC of Delaware (6 units); NJ: Allies, Inc. (8 units), Jewish Services for Developmental Disabled of NJ (5 units), West Bergen Mental Healthcare (11 units), Ocean Mental Health Services (5 units), Alternatives, Inc. (6 units); and WV: Pretera Center for Mental Health (6 units).

Congratulations!

Student Eligibility

Effective January 30, 2006, a new law passed by Congress is being implemented that will restrict individuals enrolled in an institution of higher education from receiving Section 8 assistance. See the 12/20/05 Federal Register, Vol. 70, No. 250 (see www.gpoaccess.gov/fr/index.html).



The changes will be reflected, shortly, in Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs

Energy Conservation

Public Housing utility costs total around \$1.3 billion per year. To cut this cost, HUD promotes energy and water conservation through the Public Housing Energy Conservation Clearinghouse (PHECC). The PHECC website includes information on Energy Performance Contracting, education materials for residents, funding incentives, maintenance strategies, a training calendar, and more.



PHECC also distributes a monthly newsletter. It features up-to-date energy news and resources to help public housing authorities efficiently manage energy and water costs. To see past issues of this e-newsletter, and to access more information and tools for public housing authorities, visit the Public Housing Energy Conservation Clearinghouse Website at: www.hud.gov/offices/pih/programs/ph/phecc/index.cfm.

RHIIP Newsletter

The Office of Housing Assistance and Grants Administration has posted the RHIIP (Rental Housing Integrity Improvement Program) Newsletter Spring/Summer 2005 edition under "RHIIP Publications" at the following address:



www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm.

MAP Guide Revision



HUD inspectors will no longer accept or use AIA Document G704 (Certificate of Substantial Completion). Only Form HUD-92485 will be used to establish the date of Substantial Completion.

AIA G704 is unacceptable because it is not consistent with the terms of the HUD Construction Contract, and cannot be accepted or used as a part of the underwriting package. In addition, AIA G704 contains redundant information.

This change will be incorporated into Chapter 13 of the MAP Lender Guide.

Early Registration



Applicants for the FY 06 grant funding cycle (e.g., Section 202, 811, Service coordinators, etc.) are encouraged to register early to facilitate this process. Registration can be made at: www.grants.gov. Please review Federal Register, Vol. 70, No. 236, dated 12/9/05. It can be found

at: www.access.gpo.gov/su_docs/fedreg/a051209c.html.

Sad News

The Philadelphia Hub mourns the passing of Dona Russell, a long-time Project Manager, in the Newark Program Center. Dona died, tragically, in an automobile accident on January 2, 2006.

Mold and Moisture Problems

"Controlling and Preventing Household Mold and Moisture Problems: Lessons Learned and Strategies for Disseminating Best Practices" is a report prepared for Congress that describes current residential mold and moisture research sponsored by HUD. Collectively, the Department's Office of Healthy Homes and Lead Hazard Control, Office of Policy Development and Research, and the Office of Public and Indian Housing address a wide range of mold and moisture issues.



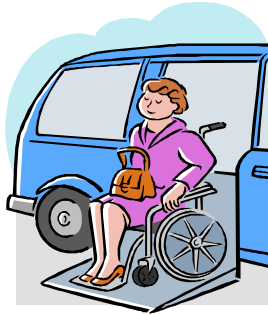
These activities include demonstrations and evaluations of interventions aimed at mold and moisture problems. Highlights of results from two such projects in urban areas, completed under grants to Cuyahoga County, OH and the Illinois Department of Public Health, are provided in this report.

Research activity also includes technical studies of new and improved technologies for identifying damp areas in buildings, measuring the overall wetness of indoor spaces, quantifying loads of fungal spores in dust and air, and determining normal concentrations of fungi in homes that seem to be problem-free. A housing inspection manual with related software and training materials designed for environmental health specialists and code inspectors was developed, as well as an asthma training program for the Native American community. Other projects include publishing papers, conducting workshops, and developing performance criteria for proper moisture control in residential buildings.

Guidebooks have been written for designers, builders, and remodelers on resistance to moisture intrusion, performance of construction materials when subjected to flooding, and moisture problems and control in manufactured homes, especially in hot, humid climates. This report also identifies the factors that make Native American housing more susceptible to mold and moisture problems, for which guides and training programs on mold prevention and detection have been developed. The document also discusses a variety of lessons learned through all of this activity. It is available online and can be downloaded for free at: www.hud.gov/offices/lead/report040105.pdf.

Rights of the Disabled

Federal laws define a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment." In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and mental retardation that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.



Regardless of whether a disabled tenant lives in private or public housing, Federal laws provide them with the following rights:

**Prohibits discrimination against persons with disabilities-* It is unlawful for a housing provider to refuse to rent or sell to a person simply because of a disability. A housing provider may not impose different application or qualification criteria, rental fees or sales prices, and rental or sales terms or conditions than those required of or provided to persons who are not disabled. As an example, a housing provider may not refuse to rent to an otherwise qualified individual with a mental disability because he/she is uncomfortable with the individual's disability. Such an act would violate the Fair Housing Act because it denies a person housing solely on the basis of their disability.

**Requires housing providers to make reasonable accommodations for persons with disabilities-* A reasonable accommodation is a change in rules, policies, practices, or services so that a person with a disability will have an equal opportunity to use and enjoy a dwelling unit or common space. A housing provider should do everything he/she can to assist, but he/she is not required to make changes that would fundamentally alter the program or create an undue financial and administrative burden. Reasonable accommodations may be necessary at all stages of the housing process, including application, tenancy, or to prevent eviction. As an example, a housing provider would make a reasonable accommodation for a tenant with mobility impairment by fulfilling the tenant's request for a reserved parking space in front of the entrance to their unit, even though all parking is unreserved.

**Requires housing providers to allow persons with disabilities to make reasonable modifications-* A reasonable modification is a structural modification that is made to allow persons with disabilities the full enjoyment of the housing and related facilities. As an example, of a reasonable modification would include allowing a person with a disability to: install a ramp into a building, lower the entry threshold of a unit, or install grab bars in a bathroom. Reasonable modifications are usually made at the resident's expense. However, there are resources available for helping fund building modifications. Additionally, if a tenant lives in Federally assisted housing the housing, the provider may be required to pay for the modification if it does not amount to an undue financial and administrative burden.

**Requires that new covered multifamily housing be designed and constructed to be accessible-* In covered multifamily housing, consisting of 4 or more units with an elevator built for first occupancy after March 13, 1991, all units must comply with the following seven design and construction requirements of the Fair Housing Act: accessible entrance on an accessible route; accessible public and common-use areas; usable doors; accessible route into and through the dwelling unit; accessible light switches, electrical outlets, thermostats, and environmental controls; reinforced walls in bathrooms; and usable kitchens and bathrooms. In covered multifamily housing without an elevator that consists of 4 or more units built for first occupancy after March 13, 1991, all ground floor units must comply with the Fair Housing Act's seven design and construction requirements.

For information on how to comply with the physical accessibility requirements of the Fair Housing Act, visit the Fair Housing Accessibility FIRST Web site at: <http://www.fairhousingfirst.org>.

Philadelphia Market Forecast



The October 2005 issue of Apartment Finance Today provided a 4-year market forecast of the Philadelphia multifamily market. Its projections, respectively, for completions, vacancy rate, net absorption, asking rent, and asking rent % change were as follows: 2006- 1,488, 4.5%, 1,245, \$963, 3.5%; 2007- 1,278, 4.6%, 1,146, \$995, 3.3%; 2008- 1,243, 4.6%, 1,001, \$1,026, 3.1%; 2009- 1,233, 4.8%, 956, \$1,056, and 2.9%.

Delaware Housing Market Analysis

HUD's Policy Development & Research has published an "Analysis of the Dover and Southern Delaware Housing Market."



In discussing the rental market in Dover and Southern Delaware, the analysis cites an average population growth of 2.7% with median family incomes of \$56,650 in Kent County and \$54,900 in Sussex County. Vacancy rates in apartments have declined since 2000 due to the population growth and the limited amount of new construction. Vacancy rates decreased to an estimated 6.5% in Kent County and 12.0% in Sussex County. The high vacancy rate in Sussex County reflects seasonable vacant units which are not part of the year-round rental market.

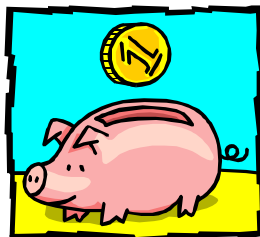
Few large-scale apartment complexes are currently under construction in the area; however, the first 35 units of a planned 20-unit apartment complex in Kent County opened in July 2005. In addition, approximately 300 apartment units are planned and will be completed by April 2008. Most of the proposed rental units will be located in Kent County. The average gross rent for a 2 BR/2 Bath unit in a newly constructed Class A development is \$950 in Kent County and \$710 in Sussex County.

Estimates indicate that 700 new rental units are needed over the next 26 months to maintain a balanced market. Most of the demand for rental units in the area is expected to occur in Kent County.

A copy of the complete report can be downloaded from HUD User at: www.huduser.org/publications/pdf/CMAR_DoverDE.pdf.

Cost Saving Tips

Owners and managers can save money by following four basic tips: 1. Track vacancies and perform tenant exit interviews (good data can reveal ways to reduce vacancies and increase your operating income); 2. Request discounts from vendors (most vendors do not voluntarily give discounts); 3. Buy wholesale (avoid retail purchases from local hardware stores); and 4. Cut insurance costs (raise deductibles, eliminate duplicative coverage, shop for cheaper rates, group buildings under an umbrella policy, or make building alterations).



Buried Pipelines

Owners should be aware of the following facts concerning gas piping that is buried after the meter location:

1. Your utility company does not maintain buried piping that is installed beyond the meter.
2. If buried piping is not maintained, it may be subject to the potential hazards of corrosion and leakage. (Note 47% of all gas leaks are caused by corrosion).
3. Buried piping should be inspected for leaks, for corrosion (if the piping is metallic), and repaired if any unsafe condition is discovered.
4. Buried piping can be protected by a combination of applying an external coating (usually bituminous) and an impressed electrical current (i.e., cathodic protection). The external electric current is from either a direct current (i.e., a rectifier) or a sacrificial anode (magnesium or zinc is used for steel pipes) that is buried near the pipe and attached by a welded wire.
5. When excavating near buried gas piping, it should be located in advance by contacting your local utility company. They will provide you with a free "markout" before you dig. (All excavation must be done by hand). Plumbing and heating contractors can also assist in locating, inspecting, and repairing buried piping.



Operating Cost Adjustment Factors

The 2006 Operating Cost Adjustment Factors (OCAF) were published in the October 21, 2005 Federal Register. The factors are used to calculate Section 8 rent adjustments under Section 524 of the Multifamily Assisted Housing and Reform Act of 1997 (MAHRA). The national average was 4%. The factors for the four-state Philadelphia Hub area are as follows: DE- 5.9%, PA- 4.2%, NJ- 4.1%, and WV- 3.8%.

December Closings

Insured: PA- Ridgecrest Gardens & Terrace, LGAR Rehab., Redcliff, Humbert Lane, Central Hill; DE- Quaker Hill; NJ- Cedar Hill, Milford Manor; and WV- Calhoun Homes, Potomac Village; *Section 202/811:* PA- Everyday Living, Caribe Towers, Ken-Crest, Cecilian Vilage, Warren Anthems; DE- DIMA X; and NJ- Ocean Allies Homes, Elm Court II.